

MMA Testimony on HB 4708 (Reilly)

12/5/17

Mr. Chair and Energy Policy Committee Members,

I am writing to express MMA's opposition to HB 4708. This bill would expand electric choice to all public schools beyond the 10% cap for all other customers.

MMA has maintained our position in defense of the 10% cap on electric choice, since the 2008 energy legislation that established the cap on the choice market. In 2008, we supported efforts to move away from a fully deregulated system to a more regulated system, but advocated for reserving 10% of the market for access for electric choice. In the most recent legislative energy debate, culminating in Public Act 341 and PA 342 of 2016, we successfully defended against the reduction of the 10% choice market. By the same token, regarding HB 4708, we defend against raising the 10% cap. So, we continue to defend the 10% cap moving either up or down, continuing our position since the 2008 energy package.

This bill would expand choice for a certain segment of the market. Choice comes with both costs and benefits. While benefits accrue primarily to those in the choice market, the expansion of the choice market would likely shift some costs to those in the regulated market. In this case, the benefits would accrue to the schools, while any costs would be shifted to the regulated market. So, while we oppose expansion of the cap to any sector, the expansion of the cap to non-industrial customers, would shift costs to the industrial community, without accruing benefit to industrial customers in the regulated market.

Thank you for the opportunity to share our views on this bill.

Respectfully,



Mike Johnston

VP Government Affairs